

Senate Budget and Fiscal Review

SUBCOMMITTEE NO. 1

EDUCATION

Jack O'Connell, Chair

John Vasconcellos

Bob Margett

Wednesday April 10, 2002

1:30 p.m. — Room 2040

I. Commission on Teacher Credentialing – Item 6350

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6360 – California Commission on Teacher Credentialing

The Commission on Teacher Credentialing is responsible for developing standards and procedures for the preparation and licensing of public school teachers and administrators, issuing and revoking credentials, evaluating and approving programs of teacher training institutions, developing and administering competency exams, establishing policy leadership in the field of teacher preparation and administering Alternative Teacher Certification Programs.

Summary of General Fund Expenditures				
(dollars in thousands)	2001-02	2002-03	\$ Change	% Change
<i>State Operations</i>				
Teacher Credential Fee Buyout	1,650	1,575	-75	-5%
Teacher Credentialing Service Improvement Project	1,200	0	-1,200	-100
Governor's Teaching Fellowships	79	66	-13	-16
Paraprofessional Training Program	60	51	-9	-15
Adjustments	<u>-25</u>	<u>0</u>	<u>25</u>	<u>-100</u>
<i>Subtotals</i>	<i>2,964</i>	<i>1,692</i>	<i>-1,272</i>	<i>-43%</i>
<i>Local Assistance</i>				
Internship Teaching Program	31,800	25,600	-6,200	-19
Pre-Internship Teaching Program	11,800	11,800	0	0
Paraprofessional Training Program	11,478	7,478	-4,000	-35
CA Mathematics Initiative	1,613	1,013	-600	-37
Teacher Mis-Assignment Monitoring	<u>350</u>	<u>350</u>	<u>0</u>	<u>0</u>
<i>Subtotals</i>	<i>57,041</i>	<i>46,241</i>	<i>-10,800</i>	<i>-19%</i>
Total	\$60,005	\$47,933	-12,072	-20%

- BUDGET REDUCTIONS (ACTION ITEM).** The Governor's Budget proposes to reduce the amount of funding available for several alternative credentialing programs administered by the Commission on Teacher Credentialing. Specifically, the Governor reduces funding for the Internship and Pre-Internship Programs – which allows participants to receive on-site training as part of their credential curriculum (Internship Program) and provide subject matter preparation as well as basic training for uncredentialed teachers who have not demonstrated subject matter competency (Pre-Internship Program). Further, the Governor proposes to reduce the amount of funding available for the Paraprofessional Teacher Training Program which supports paraprofessionals seeking both a baccalaureate degree and a teaching credential.

The Legislative Analyst recommends that the programs outlined above essentially be Approved as Budgeted and then rolled into a formula-driven teacher professional development block grant (to be discussed below). The Commission on Teacher Credentialing notes that with the reductions, it anticipates still being able to accommodate Intern, Pre-Intern and Paraprofessional Program participants in Budget Year (2002-03); however, participation in

the program would need to be reduced in 2003-04 if the reductions continue into the following fiscal year. Staff recommends that CTC's local assistance budget items be Approved as Budgeted.

ACTION:

2. **DELETION OF FEE WAIVER FOR FIRST-TIME CREDENTIAL APPLICANTS (ACTION ITEM).** The Governor's budget includes \$1.6 million for a teacher credential fee buyout program. This program waives the \$55 application fee for first-time applicants for the multiple subject, single subject, special education, and specialist credential by providing General Fund support to the CTC in lieu of the revenue provided by the fee.

According to the LAO, there does not appear to be evidence suggesting that the \$55 application fee prevents individuals from becoming teachers. Further, the LAO notes that there is also no evidence that waiving the fee helps attract better qualified teachers. As such, the LAO recommends that the fee waiver program for first-time credential applicants be eliminated, resulting in a \$1.6 million savings of General Fund (non Prop-98). Staff recommends that this issue/reduction be placed on the "checklist" and that all other CTC budget items be Approved as Budgeted.

ACTION:

3. **SECTION 28.00 REQUEST (ACTION ITEM).** The committee is in receipt of a Section 28.00 request from the Department of Finance and the Commission on Teacher Credentialing which seeks a \$2,691,000 increase in expenditure authority for item 6360-001-0890 of the Budget Act of 2001, due to the receipt of unanticipated Title II Teacher Quality and Enhancement monies. According to the CTC, funds will be used to contract for the development of a Teaching Performance Assessment, to contract for assistance in developing methodologies to help teacher preparation programs to incorporate new pedagogical and academic requirements, to fund planning grants for teacher preparation programs that agree to pilot the early implementation of the new credentialing standards, and for research into the effectiveness of the new credentialing standards.

This request was initially denied by the Joint Legislative Budget Committee primarily due to the concerns raised by the LAO. The LAO questioned whether the federal funds are indeed "unanticipated" as required by Section 28.00 since \$2.5 million is attributable to prior-year carryover and whether CTC really has a need to expend the funds in the current year. Staff recommends that the Section 28.00 request be approved.

ACTION:

II. Teacher Professional Development Programs: Proposed Reductions & Augmentations

Summary of Proposed Reductions to Professional Development Programs (dollars in thousands)			Dollars in Millions		
	Budget/Fund	Description	Budget Act 2001-02	Revised 2001-02	Proposed 2002-03
• Peer Assistance and Review (PAR)	Prop 98/ CDE	Provides mentoring services to veteran teachers to help them improve performance. Funds allocated by CDE; program at local district determined by collective bargaining.	134.2	84.2	86.9
• CA Professional Development Institutes (PDIs) – Stipends	Prop 98/ CDE	Provides stipends for teachers participating in the UC Professional Development Institutes, which were established to provide specific subject-matter training to both beginning and veteran teachers in various subject areas and grade levels.	54.0	48.0	48.0
• CA PDI's – UC Support	General Fund/ UC	Funding is for the UC to operate the seven statutorily-established Professional Development Institutes. Institutes provide a minimum of 120 hours	56.9	50.9	50.9
• Beginning Teacher Support and Assessment (BTSA)	Prop 98/ CDE	Grants awarded to LEA's to provide individualized support and assessment of teaching practices for beginning teachers	104.6	84.6	88.3
• National Board for Professional Teaching Standards Certification Incentive Program	Prop 98/ CDE	CDE provides a one-time award of \$10,000 to National Board Certified teachers. In 2000-01, awards increased to \$20,000 for teachers who commit to teach in a low-performing school.	15.0	10.0	10.0
• High School Coaching Education and Training Program	Prop. 98/ CDE	Provides grants to high schools to offset the costs of providing education and training to athletic coaches.	1.0	0.0	0.0

• California Subject Matter Projects	General Fund/ UC	Discipline-specific training for teams of teachers. Training usually lasts about three weeks.	35.1	35.1	30.8
• Education Technology Professional Development Program	General Fund/ CSU	Provides professional development on how to integrate technology effectively into the classroom.	12.5	12.5	6.0
• School Personnel Staff Development Plans	Prop 98/ CDE	Funding provided for planning and implementing school professional development plans.	17.3	17.3	0.0
• Regional Professional Development Consortia	Prop. 98/ CDE	Grants provided to COEs to support coordination and direct services related to the implementation of high quality professional development programs by resource agencies and consortia.	4.3	4.3	0.0
• Demonstration Programs in Intensive Instruction	Prop. 98/ CDE	Grant program which was developed in 1969, to help struggling middle school students, and sunset in 1995. 126 middle schools currently receive grants to develop model programs in language arts, math, history/social science and science in grades 6-8.	6.1	6.1	0.0
• Math and Reading Professional Development	Prop. 98/ CDE	An incentive program to encourage districts to provide teachers and aides with standards-based professional development in math and reading. Funded in 2002-03 using a combination of one-time P-98 Reversion Account monies(\$87.1 million) and Prop. 98 (\$22.9 million).	80.0	31.7	110.0
Total					

1. **REDUCTION/AUGMENTATIONS OF PROFESSIONAL DEVELOPMENT PROGRAMS (ACTION ITEM).** On an individual program-by-program basis, the LAO does not raise any issues with the reductions or augmentations proposed within the array of professional development programs. Further, the Governor's Budget proposes to retain a Control Section 12.60 which allows funds to be transferred between a variety of professional development programs (including BTSA, National Board Certification, Instructional Time and Staff Development and PAR) in order to accommodate the ever-changing numbers of participants. Staff recommends that these programs (as illustrated in the chart on the pages 4-5 of this agenda) be Approved as Budgeted (please note UC Professional Development Institute and Math and Reading Professional Development items below).

ACTION:

2. **MATH AND READING PROFESSIONAL DEVELOPMENT PROGRAM (ACTION ITEM).** The Governor's Budget proposes a total funding level of \$110 million in 2002-03 for the Math and Reading Professional Development program (MRPDP), a new program established last year by Assembly Bill 466 (Chapter 737, Statutes of 2001). The purpose of the program is to train every teacher and instructional aide in California, over several years, in the new state reading and mathematics standards. While the program initially envisioned training all teachers within a three-year period, that time frame has since been revised to span a five-year horizon. Specifically, the program provides school districts with \$2,500 per teacher and \$1,000 per instructional aide trained through the program. The program also provides districts with a supplemental "bonus" of \$500 per teacher for those teachers that have attended or plan to attend a UC Professional Development Institute (PDI). The intent of this "bonus" is to ensure that teachers who attended a PDI in a prior year receive training related to the new instructional materials, which may not have been adopted when the initial PDI training occurred.

In the current year, the Legislature reduced the amount of funding available for the MRPDP through Senate Bill 3X 1 (Peace) to reflect the delayed implementation of the program. As a result of the reductions, no funds are being used in the current year to directly train teachers. Of the amount appropriated for the program all \$31.7 million is currently being used to either provide a \$500 per teacher bonus to those districts where teachers have already attended (or plan to attend) a UC Professional Development Institute (\$21.7 million) or to reimburse school districts (at a cost of \$2,500 per teacher) for costs they already incurred to send teachers to PDI training in 2000-01 (\$10 million).

In the budget year, the DOF estimates that approximately 32,100 teachers and 7,100 instructional aides will be trained through the MRPDP program (at a cost of \$87.4 million). It is anticipated that approximately \$1 million will be used to provide \$500 bonuses to teachers that attended a PDI in the current year (2001-02) and \$21.7 million will be used to provide districts with \$500 bonuses for the approximately 43,000 teachers expected to attend a PDI in 2002-03. Staff recommends that funding for this program be placed on the "checklist" pending the May Revision.

ACTION:

3. **MOVEMENT/CONSOLIDATION/REDUCTION OF UC PROFESSIONAL DEVELOPMENT INSTITUTES AND SUBJECT MATTER PROJECTS INTO PROPOSITION 98 (ACTION ITEM).** As part of its consolidation and block grant proposal (to be discussed below), the LAO recommends moving funding for the Professional Development Institutes and the Subject Matter Projects from the UC into the proposed block grant. While the decision to include these programs in the proposed block grant will be dealt with in the legislative process, staff notes that the committee may wish to consider (1) reducing funding and/or (2) shifting funding for these

two programs from UC to CDE, pending the May Revision, in order to save General Fund non-Proposition 98 funds. Under this scenario, a minimal amount of base funding (exact amount to be determined) would need to be retained by the UC in order to preserve the infrastructure and base staff support for these programs. Staff recommends that, independent of any pending legislation, this option be placed on the “checklist” for further consideration, pending the May Revision.

ACTION:

4. **REDUCE FUNDING FOR ADVANCED PLACEMENT CHALLENGE GRANT PROGRAM (ACTION ITEM).** The Advanced Placement Challenge Grant Program provides nonrenewable four-year grants to high schools, with first priority for funding given to schools that offer three or fewer Advanced Placement (AP) courses. CDE states that a majority of the funding is used for staff development, such as sending teachers to College Board AP workshops, UC workshops, or other summer AP training institutes. According to the LAO, the program is already serving almost all of the schools it is designed to serve. Specifically, 56 high schools offered fewer than three rigorous courses in 2000-01; of these schools, 48 already receive AP Challenge Grant Funding and the remainder are very small schools for whom offering additional courses would be difficult. The Governor’s proposed budget appropriates \$16.5 million for the program, which according to the LAO is approximately \$8.3 million more than necessary to fund the third-year commitment to the program.

The LAO recommends that funding for this program be reduced by \$8.3 million and that the funds redirected to its newly proposed competitively-based teacher block grant program. Staff recommends that Item 6110-193-0001 (5) be reduced by \$8.3 million, resulting in a Proposition 98 savings of that amount.

ACTION:

5. **ELIMINATE FUNDING FOR THE SUPPORT FOR SECONDARY SCHOOLS READING PROGRAM (ACTION ITEM).** The Support for Secondary Schools Reading Program (SSSR) distributes grants on a competitive basis to county offices of education or consortia of county offices, to provide professional development opportunities to secondary school teachers who instruct students who are reading below grade level.

The LAO notes that the state already has three other professional development programs that address high school reading. Specifically, the new Math and Reading Professional Development Program provides standards-based professional development for every English and social science public high school teacher in the state over the next four years. In addition, the state supports the High School English Language Institutes and the English Language Learner Institutes, as well as the UC-administered Reading and Literature Project (through the California Subject Matter Projects). Further, the LAO notes that this program was never established in California statute because it was originally a federal program funded with federal dollars.

The LAO recommends eliminating funding for this program and capturing \$8.0 million in Proposition 98 savings; staff notes that the program could be reinstated at CDE’s discretion using federal reading-related dollars, if desired.

ACTION:

III. Consolidation/Block Grant of Teacher Professional Development Programs

1. **CREATION OF NEW FORMULA-BASED AND COMPETITIVELY-BASED TEACHER SUPPORT AND DEVELOPMENT BLOCK GRANTS (INFORMATIONAL ITEM).** The Legislative Analyst identifies a myriad of problems inherent in the current array of teacher preparation, induction and professional development programs. Specifically, the LAO sites the (1) sheer number of programs; (2) duplicative nature of the programs; (3) administrative hurdles faced by districts in accessing the programs; (4) administration and tracking of programs at the state level; and (5) lack of coordination with federal funds available for similar purposes. In order to remedy these problems and provide districts with flexibility, the LAO proposes to consolidate 18 of the existing teacher preparation, induction and professional development programs and create a new formula-based “block grant” which would be allocated by CDE on a per-teacher basis (LAO will present a handout, during the committee hearing detailing the proposal). The funding rate per teacher would vary based on the teachers’ level of preparation and experience. Further, the LAO proposes to consolidate an additional six programs into a \$20 million competitively-based block grant program to be distributed by CDE.

Staff notes that two pieces of legislation which relate to the development of a professional development block grant, Assembly Bill 2120 (Simitian) and Assembly Bill 2433 (Steinberg), are currently under consideration in the Assembly. While the content of these bills is still being determined, it is important to note that the nature and configuration of a “block grant” could vary, pursuant to legislation, and could take a variety of forms.

Staff recommends that: (1) the development of a block grant, (2) designation of which programs are to be included and (3) the specifics regarding how a block grant would be structured, administered and allocated be addressed within the legislative process.

IV. Federal Funds

UPDATE ON FEDERAL FUNDING RELATED TO TEACHER PREPARATION AND PROFESSIONAL DEVELOPMENT (INFORMATIONAL ITEM). Congress recently approved the *No Child Left Behind Act*, which reauthorizes the federal Elementary and Secondary Education Act (ESEA), the longstanding federal law that assists schools serving poor children. The ESEA reauthorization contains a number of major policy changes and increased accountability, as well as increases in the level of funding for California.

Budgetary changes related to the ESEA reauthorization have *not* been included in the Governor’s January budget proposal due to the timing of the federal budget. The Department of Finance expects to present an expenditure plan as part of its May Revision process. Note: The full federal ESEA reauthorization will be discussed more fully at this sub committee hearing next week (April 17, 2002).

Specifically related to the areas of teacher professional development, Title II of the ESEA consolidates two existing professional development programs – the Class Size Reduction Program and the Eisenhower Professional Development State Grants – into a single new program known as *State Grants for Improving Teacher Quality*. The net change in funding is expected to increase by approximately \$105 million (46%) as illustrated in the table below. In addition, California is expected to receive an increase of approximately \$30 million to encourage the use of education technology in instruction.

Federal Title II Professional Development Programs (dollars in millions)	2001	2002	\$ Change	% Change
Class Size Reduction	\$174.7	0	\$-174.7	-100%
Eisenhower Professional Development State Grants	53.7	0	-53.7	-100%
State Grants for Improving Teacher Quality	0	333.5	333.5	100%
Education Technology State Grants	55.9	85.5	29.6	53%
Totals	284.3	419	134.7	47.4

In addition to the appropriation changes, the federal reauthorization contains a number of new requirements, including the following:

- ◆ **Highly-qualified teachers in four years.** The new law requires that all teachers in California (not just those at schools receiving Title I funds) be "highly qualified" by December 31, 2005, in order for California to receive Title I funds. "Highly Qualified" is not defined by the federal law and it will be the responsibility of individual states to determine how it is defined. In addition, all Title I teachers hired on or after July 1, 2002 must be "highly qualified". (Charter schools are exempt from this requirement.) The law requires states to establish annual measurable objectives to achieve this goal by the deadline. Districts receiving funding under the new State Grants for Improving Teacher Quality must meet these annual objectives, or face state intervention.
- ◆ **Qualified paraprofessionals in four years.** All Title I paraprofessionals hired after the beginning of this calendar year must have either completed two years of higher education study, or have an associates degree, or have completed a formal assessment. Within four years, all existing Title I paraprofessionals will have to have completed one of the above requirements. These requirements apply to all paraprofessionals, except for translators and those hired for parental involvement purposes.
- ◆ **Professional development.** School districts receiving Title I funds must spend at least 5 percent of their Title I Part A grant to help teachers become credentialed. This is a new requirement, and will provide approximately \$69 million in new funds to districts for this purpose, presumably to help the state meet the requirement to have all teachers be credentialed in four years.
- ◆ **Professional development for K-3 reading.** The federal law creates a new Title I program called the Student Reading Skills Improvement Grants, to support success in reading in grades K-3. Total funding for this program is \$133 million, and the law allows states to use up to 13 percent (\$17.3 million) of this for state-directed professional development related to the program.

V. Consent

Staff recommends that the following items be Approved as Budgeted. No issues have been raised with regard to any of these items:

- 1) 6110-134-0001 Local Assistance, Department of Education (Proposition 98), Program 10 – Instruction,
for allocation to local education agencies 118,650,000

*Funds available for teacher recruitment and retention block grant program (Teaching
As a Priority – TAP)*

- 2) 6110-485 Reappropriation (Proposition 98) Department of Education. Reappropriated from the Proposition 98
Reversion Account.

(6) 7,500,000 to the State Department of Education for the Principal Training Program.

Staff recommends that the following items be approved. No issues have been raised with regard to any of these items:

3) Section 28.00 Letters

March 26, 2002 Augment Item 6360-101-0890 by \$229,000 for the implementation of the Transition to Teaching Program over a three-year period. Pilot program will allow 400 existing emergency-permit teachers to participate in either the Alternative Certification Program or the California Pre-intern program, in the current year. This appropriation constitutes the first year of the three-year period.

4) April Finance Letters

Addition of Item 6360-101-0890 – Local Assistance, Commission on Teacher Credentialing, Payable from the Federal Trust Fund \$386,000

1. The funds appropriated in this Item shall be for the Transition to Teaching Program, for emergency-permit teachers to transition into either the Alternative Certification Program or the California Pre-Internship Teacher Program, depending on their level of preparation.

This appropriation constitutes the second year of the three-year Transition to Teaching Program